DEPARTMENT OF COMMERCE

International Trade Administration

[A–201–601]

Certain Fresh Cut Flowers From Mexico; Notice of Preliminary Results of Antidumping Duty Administrative Review, and Intent To Revoke the Order in Part

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on certain fresh cut flowers from Mexico in response to a request from Rancho del Pacifico (Pacifico), respondent. Additionally, the Department preliminarily intends to revoke the order in part with respect to Pacifico. This review covers one producer/exporter and entries of the subject merchandise into the United States during the period April 1, 1996 through March 31, 1997.

We preliminarily determine that sales have not been made below normal value (NV). If these preliminary results are adopted in our final results, we will instruct U.S. Customs to liquidate entries without regard to antidumping duties.

Interested parties are invited to comment on these preliminary results. Parties who submit argument are requested to submit with each argument (1) a statement of the issue and (2) a brief summary of the argument.

EFFECTIVE DATE: January 9, 1998.

FOR FURTHER INFORMATION CONTACT: Tamara Underwood or Maureen Flannery, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington D.C. 20230; telephone: (202) 482–4733.

Applicable Statute: Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930 (the Act) by the Uruguay Round Agreements Act. In addition, unless otherwise indicated, all citations to the Department's regulations are to the regulations as codified at 19 CFR Part 353 (1996).

SUPPLEMENTARY INFORMATION:

Background

On April 23, 1987, the Department published in the **Federal Register** (52 FR 13491) the antidumping duty order on certain fresh cut flowers from Mexico. On April 28, 1997, in accordance with 19 CFR 353.22(a), Pacifico requested that the Department conduct an administrative review. In accordance with 19 CFR 353.25(b) (1) and (2), Pacifico also requested a partial revocation of the antidumping duty order as it pertains to it upon completion of this review. We published a notice of initiation of review on May 21, 1997 (62 FR 27720). The Department is conducting this administrative review in accordance with section 751 of the Act.

Scope of the Review

The products covered by this review are certain fresh cut flowers, defined as standard carnations, standard chrysanthemums, and pompon chrysanthemums (pompons). During the period of review (POR), such merchandise was classifiable under the Harmonized Tariff Schedule of the United States (HTSUS) items 0603.10.7010 (pompons), 0603.10.7020 (standard chrysanthemums), and 0603.10.7030 (standard carnations). The HTSUS item numbers are provided for convenience and Customs purposes only. The written description remains dispositive as to the scope of the order.

This review covers sales of subject merchandise entered into the United States during the period April 1, 1996 through March 31, 1997.

Verification

As provided in section 776(b) of the Act, we conducted a verification of the questionnaire responses submitted by Pacifico. We used standard verification procedures, including on-site inspection of the manufacturer's facilities, the examination of relevant accounting, sales, and other financial records, and the selection of original documentation containing relevant information. Our verification results are outlined in the public version of the verification report.

Intent To Revoke

On April 28, 1997, Pacifico submitted a request, in accordance with 19 CFR 353.25(b), that the Department revoke the order covering certain fresh cut flowers from Mexico with respect to its sales of this merchandise.

In accordance with 19 CFR 353.25(a)(2)(iii), this request was accompanied by a certification from Pacifico that it had not sold the subject merchandise at less than NV for a three-year period, including this review period, and would not do so in the future. Pacifico also agreed to its immediate reinstatement in the relevant antidumping order, as long as any firm is subject to this order, if the Department concludes under 19 CFR 353.22(f) that, subsequent to revocation, it sold the subject merchandise at less than NV.

In the two prior reviews of this order, we determined that Pacifico sold fresh cut flowers from Mexico at not less than NV. The Department conducted a verification of Pacifico's response for this period of review. We preliminarily determine that Pacifico sold fresh cut flowers at not less than NV during this review period. Based on Pacifico's three consecutive years of zero or *de minimis* margins and the absence of evidence to the contrary, we preliminarily determine that it is not likely that Pacifico will in the future sell subject merchandise at less than NV. Therefore, if these preliminary findings are affirmed in our final results, we intend to revoke the order on fresh cut flowers from Mexico with respect to Pacifico.

United States Price

In calculating United States Price (USP), we used constructed export price (CEP), in accordance with section 772 (b), (c), and (d) of the Act, because Pacifico's sales to the first unaffiliated purchaser occurred after importation into the United States. We based CEP on the packed F.O.B. prices to the first unaffiliated purchaser after importation into the United States. As in the original less-than-fair-value (LTFV) investigation and in all prior administrative reviews, all prices to the United States were weight-averaged on a monthly basis to account for the perishability of the product. In accordance with the methodology established in the 1992–1993 review, we also calculated USP by flower type, without regard to specific grades. (*See Final Results of Antidumping Duty Administrative Review; Certain Fresh Cut Flowers from Mexico,* 56 FR 29621 (June 28, 1991).)

Where appropriate, we made deductions from CEP for foreign and U.S. inland freight, U.S. and Mexican brokerage and handling charges, and for credit expenses incurred on sales in the United States. No other adjustments were claimed or allowed.

Normal Value

In calculating NV, we used home market prices to unaffiliated purchasers, as defined in section 773 of the Act. In order to determine whether there was a sufficient volume of sales in the home market to serve as a viable basis for calculating NV, we compared Pacifico's volume of home market sales of the subject merchandise to the volume of U.S. sales of the subject merchandise, in accordance with section 773(a)(1)(C) of

the Act. Because Pacifico's volume of home market sales of the subject merchandise was greater than five percent of its volume of U.S. sales of the subject merchandise, we determined that the home market provides a viable basis for calculating NV for Pacifico.

Home market price was based on F.O.B. farm gate unit price of subject merchandise sold to unaffiliated purchasers in the home market. No adjustments were claimed or allowed.

Level of Trade

In accordance with section 773(a)(1)(B) of the Act, to the extent practicable, we determine NV based on sales in the comparison market at the same level of trade (LOT) as the export price (EP) or CEP transaction. The NV LOT is that of the starting-price sales in the comparison market or, when NV is based on constructed value, that of the sales from which we derive selling, general and administrative expenses and profit. For EP, the U.S. LOT is also the level of the starting-price sale, which is usually from exporter to importer. For CEP, it is the level of the constructed sale from the exporter to the importer.

To determine whether NV sales are at a different LOT than EP or CEP, we examine stages in the marketing process and selling functions along the chain of distribution between the producer and the unaffiliated customer. If the comparison-market sales are at a different LOT, and the difference affects price comparability, as manifested in a pattern of consistent price differences between the sales on which NV is based and comparison-market sales at the LOT of the export transaction, we make an LOT adjustment under section 773(a)(7)(A) of the Act. Finally, for CEP sales, if the NV level is more remote from the factory than the CEP level and there is no basis for determining whether the difference in the levels between NV and CEP affects price comparability, we adjust NV under section 773(a)(7)(B) of the Act (the CEP offset provision). *See Notice of Final Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon Steel Plate From South Africa,* 62 FR 61731, 61732 (November 19, 1997).

Pacifico did not claim a LOT adjustment; however, we requested information concerning Pacifico's distribution system, including classes of customers, selling functions, and selling expenses to determine whether such an adjustment was necessary. Pacifico reported that all sales during the POR, in both the comparison market, the home market in this instant case, and the United States, were to wholesalers. We examined information provided by Pacifico concerning these sales and determined that there was no difference in either selling functions or selling expenses between sales in the home market and sales in the United States. Therefore, we preliminarily determine that sales in the home market and sales in the United States are at the same LOT and that no adjustment is warranted.

Preliminary Results of Review

We preliminarily determine that the following weighted-average dumping margin exists:

Manufacturer/exporter	Time period	Margin (percent)
Rancho del Pacifico	04/01/96–03/31/97	0.00

Parties to the proceeding may request disclosure within 5 days of the date of publication of this notice in accordance with 19 CFR 353.28. Any interested party may request a hearing within 10 days of publication in accordance with 19 CFR 353.38(b). Any hearing, if requested, will be held 44 days after the publication of this notice, or the first workday thereafter. Interested parties may submit case briefs within 30 days of the date of publication of this notice in accordance with 19 CFR 353.38(c). Rebuttal briefs, which must be limited to issues raised in the case briefs, may be filed not later than 37 days after the date of publication. The Department will publish a notice of final results of this administrative review, which will include the results of its analysis of issues raised in any such comments.

The Department shall determine, and the U.S. Customs Service shall assess, antidumping duties on all appropriate entries. Upon completion of this review, the Department will issue appraisement instructions directly to the U.S. Customs Service.

Furthermore, the following deposit rates will be effective upon publication of the final results of this administrative review for all shipments of fresh cut flowers from Mexico entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided for by section 751(a)(2)(c) of the Act: (1) for previously reviewed or investigated companies not listed above, the cash deposit rate will continue to be the company-specific rate published for the most recent period; (2) if the exporter is not a firm covered in this review, a prior review, or the original less-than-fair-value investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; and (3) for all other producers and/or exporters of this merchandise, the cash deposit rate shall be the rate established in the investigation of sales at less than fair value, which is 18.20 percent. *See* 52 FR 6361 (March 3, 1987).

If our intent to revoke is finalized, the revocation will apply to all entries of the subject merchandise from Pacifico entered, or withdrawn from warehouse, for consumption on or after April 1, 1997. The Department will then order the suspension of liquidation ended for all such entries and will instruct the Customs Service to release any cash deposit or bonds. The Department will further instruct Customs to refund with interest any cash deposits on post-March 31, 1997 entries. If we do not revoke, the cash deposit rate for Pacifico will be the rate established in the final results of this review (except that no deposit will be required if the margin is zero or *de minimis, i.e.,* less than 0.5 percent).

These deposit rates, when imposed, shall remain in effect until publication of the final results of the next administrative review.

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 353.25(b) to file certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

This administrative review and notice are in accordance with section 751(a)(1) of the Act (19 U.S.C. 1675(a)(1)) and 19 CFR 353.22.

Dated: December 29, 1997.

Robert S. LaRussa,

Assistant Secretary for Import Administration.

[FR Doc. 98–487 Filed 1–8–98; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–201–504]

Porcelain-on-Steel Cookware From Mexico: Preliminary Results of Antidumping Duty Administrative Review

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

ACTION: Notice of preliminary results of antidumping duty administrative review.

SUMMARY: In response to a request by the petitioner, General Housewares Corporation, the Department of Commerce is conducting an administrative review of the antidumping duty order on porcelain-on-steel cookware from Mexico. This review covers Cinsa, S.A. de C.V. and Esmaltaciones de Norte America, S.A. de C.V., manufacturers/exporters of the subject merchandise to the United States. The period of review is December 1, 1995, through November 30, 1996.

We preliminarily determine that sales have been made below normal value. If these preliminary results are adopted in our final results of administrative review, we will instruct the Customs Service to assess antidumping duties on all appropriate entries.

Interested parties are invited to comment on these preliminary results. Parties who submit arguments in this proceeding should also submit with the argument: (1) a statement of the issue, and (2) a brief summary of the argument.

EFFECTIVE DATE: January 9, 1998.

FOR FURTHER INFORMATION CONTACT: Kate Johnson/Dorlores Peck or Mary Jenkins, Office 5, AD/CVD Enforcement Group II, Import Administration—Room B099, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482–4929 or 482–1756, respectively.

SUPPLEMENTARY INFORMATION:

The Applicable Statute

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930, as amended (the Act), by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all citations to the Department of Commerce's (the Department's) regulations are to the provisions codified at 19 CFR part 353 (April 1997). Where we cite to the Department's new regulations (19 CFR part 351, 62 FR 27926 (May 19, 1997) (New Regulations)) as an indication of current Department practice, we have so stated.

Background

On October 10, 1986, the Department published in the **Federal Register** (51 FR 36435) the final affirmative antidumping duty determination on certain porcelain-on-steel cookware from Mexico. We published an antidumping duty order on December 2, 1986 (51 FR 43415).

On December 3, 1996, the Department published in the **Federal Register** a notice advising of the opportunity to request an administrative review of this order for the period December 1, 1995, through November 30, 1996 (the POR) (61 FR 64050). The Department received a request for an administrative review of Cinsa, S.A. de C.V. (Cinsa) and Esmaltaciones de Norte America, S.A. de C.V. (ENASA) from General Housewares Corporation, the petitioner. We published a notice of initiation of the review on January 17, 1997 (62 FR 2647). On June 10, 1997, the petitioner made an allegation that Cinsa and ENASA were reimbursing the affiliated U.S. importer, Cinsa International Corporation (CIC), for antidumping deposits and assessment liabilities during the POR.

During the period June 23 through June 27, 1997, we conducted verifications of Cinsa and ENASA, as well as CIC.

On August 19, 1997, the Department extended the time limit for the preliminary results in this case until December 31, 1997. *See Extension of Time Limit for Antidumping Duty Administrative Review,* 62 FR 44108, August 17, 1997.

The Department is conducting this review in accordance with section 751(a) of the Act.

Scope of the Review

The products covered by this review are porcelain-on-steel cookware, including tea kettles, which do not have self-contained electric heating elements. All of the foregoing are constructed of steel and are enameled or glazed with vitreous glasses. This merchandise is currently classifiable under *Harmonized Tariff Schedule of the United States* (HTSUS) subheading 7323.94.00. Kitchenware currently classifiable under HTSUS subheading 7323.94.00.30 is not subject to the order. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this proceeding is dispositive.

Verification

As provided in Section 782(i) of the Act, we conducted verifications of Cinsa, ENASA and CIC from June 23 through June 27, 1997. We conducted the verifications using standard verification procedures including on-site inspection of the manufacturers' facilities, the examination of relevant accounting, sales, and other financial records, and selection of original documentation containing relevant information. Our verification results are outlined in the public version of the verification report which is on file in the Central Records Unit (CRU) in room B–099 of the Main Commerce Building.

Based on verification, we made certain changes to data in the sales listing submitted by Cinsa and ENASA used to calculate the preliminary margins (*See* Memorandum to the File dated December 30, 1997).

Affiliated Parties

Cinsa and ENASA are both wholly-owned subsidiaries of ISLO S.A. de C.V., which in turn is wholly-owned by the Grupo Saltillo, S.A. de C.V. Because Cinsa and ENASA are controlled by the same parent, they are affiliated within the meaning of section 771(3)(F) of the Act.

Since Cinsa and ENASA are affiliated producers of subject merchandise, we analyzed whether the two producers should be treated as a single entity for the purpose of assigning an antidumping margin using the Department's standard ''collapsing'' test. *See* reference to 19 CFR 351.401(f) on page two. During the course of this review, we verified that the manufacturing facilities of ENASA are separate from those of Cinsa, and that the machinery Cinsa used to produce ''ranch style'' cookware cannot be used to make the ENASA ''euro-style'' cookware, and vice versa, without fundamental and expensive retooling. Accordingly, because we have determined that the production facilities of Cinsa and ENASA would require substantial retooling in order to produce similar or identical products, as in prior reviews, we are not treating these firms